

**Department for Communities
Departmental Response
to recommendations in the Northern
Ireland Audit Office's Report
Welfare Reforms in Northern Ireland**

**Presented to the Northern Ireland Assembly
by the Department for Communities**

08 March 2019



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Ireland

Glossary of Abbreviations

DfC Department for Communities

DWP Department for Work and Pensions

NI Northern Ireland

NIHE Northern Ireland Housing Executive

PIP Personal Independence Payment

DEPARTMENT FOR COMMUNITIES DEPARTMENTAL RESPONSE TO NORTHERN IRELAND
AUDIT OFFICE (NIAO) RECOMMENDATIONS IN THE NIAO'S REPORT OF 17 JANUARY 2019 ON
"WELFARE REFORMS IN NORTHERN IRELAND"

Department for Communities

Welfare Reforms in Northern Ireland

Introduction

The responses within this Departmental Response have been made at official level. Where specific recommendations relate to issues of policy these will require Ministerial decisions.

NIAO Recommendation 1

We recommend that the Department uses feedback provided by all delivery partners, including programme managers and frontline staff, to establish a formal and enhanced understanding of how welfare reforms are working in practice. To improve accountability and transparency, the Department needs to collect and analyse the data and evidence from delivery partners, and regularly report on issues raised and progress made to address them.

The Department for Communities (DfC) accepts this recommendation.

DfC has given a commitment to formally evaluate the implementation of Welfare Reform and has developed a formal composite evaluation framework that focuses on the need to collect data/evidence from claimants, staff and the advice sector to supplement the analyses of administrative data. To date DfC has published baseline research on claimant satisfaction and an extensive range of analysis derived from administrative data. The baseline claimant research undertaken by DfC was informed by extensive feedback requested and received from the advice sector (Advice NI; Citizens Advice; Law Centre NI).

In addition, the Northern Ireland Housing Executive (NIHE) published research pertaining to the impacts of Welfare Reform, in November 2018, in the form of: a scoping paper that took existing, published evidence from across the UK and reviewed (NIHE) administrative data to understand potential impacts of various welfare changes; and a Tenant Perceptions report based on primary research via the NIHE Continuous Tenant Omnibus Survey 2017.

DfC will continue to collect evidence and data and report on issues raised and progress made to address issues.

NIAO Recommendation 2

We recommend that the Department consults with the advisory sector, the wider Third Sector and DWP to continue to improve the clarity and simplicity of its communications with claimants and their representatives.

DfC accepts this recommendation.

Social Security benefits/credits in Northern Ireland (NI) are administered through systems owned by the Department for Work and Pensions (DWP), and therefore the ability to influence the design and content of letters is limited. However, where DfC can design and develop communications, this is completed with cognisance of customer insight and feedback from stakeholders.

Throughout the planning and implementation of welfare reform in NI DfC engaged extensively with the advisory sector on a range of matters including the clarity of communications with claimants and their representatives. As a result of this engagement a number of changes have been made to improve the clarity of communications and in addition, specific safeguards were introduced in NI for Personal Independence Payment (PIP) claimants, which were acknowledged by Walter Rader in his report, *Personal Independence Payment: An Independent Review of the Assessment Process*, published in June 2018.

Currently claimants can contact DfC in a range of ways, Freephone telephony, face to face in 35 local offices, and with Universal Credit online. DfC has already produced alternative formats, as appropriate, such as 'Easy Read' versions of information, videos in both British and Irish Sign Language versions. DfC continually reviews its online channels including content on nidirect which is the citizen facing portal for all government information.

Looking ahead, DfC is actively planning extensive engagement with the advice sector, DWP and delivery partners to ensure that communications and messaging about the next phase in implementing Universal Credit, Managed Migration, are clear and easily understood for claimants and their representatives.

NIAO Recommendation 3

We accept that there may be data protection risks in allowing implicit consent for Universal Credit. We recommend that the possibility of mitigating these risks should be explored, in consultation with DWP, especially for vulnerable claimants.

DfC accepts this recommendation.

DWP has in place a system of 'explicit consent', with 'implicit consent' applicable to MPs. DfC concur with this approach, and consequently implemented the same principles, with 'implicit consent' applicable only to MPs and MLAs.

However, DfC will consult with DWP with regard to exploring the possibility of mitigating any data protection risks around implicit consent, especially for vulnerable claimants.

NIAO Recommendation 4

We recommend that the Department evaluates and reports on the value for money of the additional independent advisory services supported by mitigations funding. The Department should carefully consider how to make the best use of both external and internal advisory services post March 2020.

DfC accepts this recommendation.

As part of the Fresh Start Agreement, £8 million was approved for additional independent advice specifically to support claimants through the Welfare Reform changes from 2016 to 2020. This multi-channel advice service is delivered by the Independent Advice Sector by way of a NI wide Welfare Changes Helpline, 37 additional welfare reform face to face advisers across NI and three legal advisors in the Law Centre NI for tribunal representation and to advise on complex cases.

A 12 month review carried out by the Welfare Reform Support Project clearly showed, both from the customer survey and from feedback from the Advice Sector, that the Project has met its objectives. That provided DfC with the assurance and justification for continuing that delivery model for the additional face-to-face advice services and helpline until 2020.

Management Information supplied to DfC by the Independent Advice Service has informed the Annual Report on Welfare Supplementary Payment Expenditure, Discretionary Support & Standards of Advice & Assistance and the recent review of Mitigations Funding undertaken by Social Security Policy Legislation Division. DfC's Voluntary & Community Division are currently assessing requirements and potential impacts beyond 2020 which will input to the Mitigations Forward Look Report.

NIAO Recommendation 5

We recommend that the Department undertakes a short review exploring the reasons behind the lower than expected uptake of mitigation payments. This may provide an evidence base to indicate how it can make better use of the mitigation funding for the remaining two years. We acknowledge there will be very limited scope to amend the existing schemes in the continued absence of the Assembly.

DfC accepts this recommendation.

In line with the Fresh Start Agreement DfC will complete a review and publish a report of the Welfare Reform Mitigation Measures by 31 March 2019. During completion of this review DfC will explore the reasons behind lower than expected uptake of mitigations payments.

NIAO Recommendation 6

We recommend that the Department publishes a detailed plan and indicative timetable for the expected outputs from its outcomes-based evaluation framework.

DfC accepts this recommendation.

DfC has given a public commitment to evaluate the implementation of Welfare Reform in NI at both claimant and population levels. The outcomes-based evaluation strategy developed by DfC focuses on the impact on the claimant population, wider society and the economy, and will inform decision making and delivery. It also provides detail on how DfC plans to measure the impacts of welfare reform. The strategy will be supported by extensive qualitative and quantitative research and analyses of administrative data.

The published report (available on DfC's website) and supporting data tables present findings on the experiences and attitudes of claimants with regards to the welfare changes. This includes awareness of the welfare reform changes, welfare supplementary payments and views on effectiveness of communications from DfC relating to the changes.

Further research will be conducted on an iterative basis as the welfare changes continue to be implemented.

In addition, as outlined in the response to Recommendation 1, NIHE has published research pertaining to the impacts of Welfare Reform in November 2018, in the form of a scoping paper that took existing, published evidence from across the UK and reviewed (NIHE) administrative data to understand potential impacts of various welfare changes, and a Tenant Perceptions report based on primary research via the NIHE Continuous Tenant Omnibus Survey 2017.

NIAO Recommendation 7

We recommend that the Department takes the lead on a programme of research to assess the wider impacts of welfare reforms across Northern Ireland society.

DfC accepts this recommendation.

As noted in the response to Recommendation 6, DfC has given a commitment to undertake an extensive evaluation of the implementation of Welfare Reform in NI and has consistently taken the lead in the assessment of the impacts of Welfare Reform in NI. Since 2013, DfC's Analytical Services Unit have developed and published a series of Welfare Reform Information Booklets containing analysis of specific policy measures and the wider impacts on NI society. These include booklets on *Northern Ireland Universal Credit Information*; *Northern Ireland Benefit Cap Information*; *Northern Ireland Personal Independence Payment Information*; *Employment and Support Allowance Information*; and *Housing Support Information*. In addition, *Autumn Statement 2015* contains an addendum to previous analysis produced by DfC which outlined the NI specific impacts of Summer Budget 2015 for benefit claimants (including Tax Credit claimants). Further, attitudes and behaviours of the wider public to Welfare Reform have been measured via the *Northern Ireland Omnibus Survey*. Copies of all these are available on DfC's website.

Since the reforms have been introduced, the Information Booklets have been supplemented by actual statistics derived from the social security administrative systems. Significant resource has been invested to develop and quality assure a series of new publications that provide extensive insight into the actual impacts of welfare reform. These include *Personal Independence Payment Statistics* – Experimental statistics publication provides information on Registered Claims, Cleared Claims, Clearance Time, Awards, Claims in Payment, Reassessed DLA claims and Mandatory Reconsiderations; *DLA to PIP Reassessment Summary* – Experimental statistics publication provides a breakdown of those who have been reassessed from Disability Living Allowance to PIP and whether their entitlement has changed; *Benefit Cap Statistics* - Experimental statistics publication provides information on the number of households that have been capped, the average amount capped by and those previously capped but no longer capped; report on *Social Sector Size Criteria: Welfare Supplementary Payments* - details the number of Welfare Supplementary Payments that stopped when customers moved properties and continued to under-occupy by at least the same number of bedrooms; and annual reports on the operation of *Welfare Supplementary Payments, Discretionary Support, Standards of Advice & Assistance and Sanctions*. These are also available on DfC's website.

Official statistics on Universal Credit are not currently available. However, DfC has worked closely with DWP to secure access to the Universal Credit data held on NI claimants. With access secured a rigorous programme of testing and quality assurance will be undertaken to enable figures to be published as soon as possible.